

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6521

BILL NUMBER: HB 1665

DATE PREPARED: Feb 2, 2001

BILL AMENDED:

SUBJECT: Limitation on Assets for Medicaid Eligibility.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

X

IMPACT: State

Summary of Legislation: This bill increases the amount of money, stock, bonds, and life insurance that an individual, an individual and the individual's spouse, or the parents of an individual less than 18 years of age may own and still qualify for Medicaid. The bill also specifies the maximum amounts of the total that may consist of: (1) money, stock, and bonds; and (2) life insurance.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill would increase the amount of the total cash value of money, stock, bonds, and life insurance for applicants or recipients (and parents of recipients under the age of 18) for medical assistance under the Medicaid program. The limits are increased from \$1,500 to \$6,500 for individuals and from \$2,250 to \$13,000 for an individual and spouse. The bill provides further limitations for certain assets within these aggregate limits.

Increased state expenditures resulting from these changes were estimated by the Office of Medicaid Policy and Planning (OMPP) to be \$5.1 M for FY 2002 and \$5.6 M for FY 2003.

Background: These estimates are based on projections of total new expenditures of \$13.5 M for FY 2002 and \$14.7 M for FY 2003. Estimated additional federal reimbursement would be \$8.4 M for FY 2002 and \$9.1 for FY 2003. This is based on federal financial participation of approximately 62%.

The projected number of individuals who would benefit from this change is 813 in FY 2002 (at an average estimated cost of \$16,575) and 831 in FY 2003 (at an average estimated cost of \$17,735).

Explanation of State Revenues: See Explanation of State Expenditures, above, regarding federal financial participation in the Medicaid program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources: Kathy Gifford, OMPP, (317) 233-4455.